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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al. : 08-13555 (JMP)
Debtors. : (Jointly Administered)
: :
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**STIPULATION, AGREEMENT AND ORDER BETWEEN LEHMAN
BROTHERS HOLDINGS INC. AND MASON CAPITAL MANAGEMENT, LLC**

TO THE HONORABLE JAMES M. PECK,
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. (“LBHI”) and Mason Capital Management, LLC (“Mason” and, together with LBHI, the “Parties”), by and through their respective counsel, hereby enter into this Stipulation, Agreement and Order and represent and agree as follows:

RECITALS

A. Commencing on September 15, 2008 (the “Commencement Date”) and periodically thereafter, as applicable, LBHI and certain of its subsidiaries (collectively, the “Debtors”) commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the

Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. Mason mailed various letters, each dated September 3, 2009 (the “Notices of Default”), addressed to (i) Lehman Brothers Treasury Co. B.V. (“LBT”), c/o Houthoff Buruma N.V., P.O. Box 75507, NL-1070 AM Amsterdam, The Netherlands and (ii) Lehman Brothers Holdings Inc., c/o Epiq Bankruptcy Solutions, LLC, FDR Station, P.O. Box 5076, New York, New York, 10150-5076, United States of America, alleging that an event of default occurred under certain securities issued by LBT and purportedly guaranteed by LBHI (the “Mason Owned Securities”). The Notices of Default were included as claims against LBHI on the Debtors’ claims register (the “Claims Register”) by the Debtors’ court-appointed claims agent (the “Claims Agent”).

C. On October 28, 2009, Mason, for and on behalf of the beneficial holders of the Mason Owned Securities identified therein, filed a proof of claim against LBHI, (Claim No. 51090) (the “Claim”), based on the Mason Owned Securities.

D. On January 11, 2011, the Debtors filed the seventy-seventh omnibus objection to certain claims seeking to expunge, among other claims, the Notices of Default from the Claims Register because they have been amended or superseded by subsequently filed proofs of claim (the “Omnibus Objection”).

E. The Parties hereto have agreed to the terms set forth below.

**NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH
ARE INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT IS HEREBY
STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH**

**THEIR UNDERSIGNED COUNSEL, AND UPON COURT APPROVAL HEREOF, IT
SHALL BE ORDERED THAT:**

STIPULATION

1. The Recitals form an integral part of this Stipulation, Agreement and Order and are incorporated fully here.
2. The Notices of Default were not intended to be, and are not, proofs of claim against the Debtors and should not be included on the Claims Register. The Debtors and the Claims Agent are authorized to remove the Notices of Default from the Claims Register, and they are hereby expunged from the Claims Register. The removal of the Notices of Default from the Claims Register shall not have any effect on the enforceability or validity of the Claim or the Notices of Default, or the right of the Debtors or other parties in interest to challenge the enforceability or validity of the Claim or the Notices of Default.
3. The effect of the Notices of Default shall be subject to the *Order Modifying the Automatic Stay to Allow Delivery of Acceleration Notices to LBHI Under the EMTN Program*, dated June 17, 2010 [Docket No. 9641].
4. The rights of the Debtors and any other party in interest to object to the Claim are expressly preserved and unaffected by this Stipulation, Agreement and Order.
5. This Stipulation, Agreement and Order shall not become effective against the Parties unless and until it is “so ordered” by the Court.
6. This Stipulation, Agreement and Order may not be modified other than by a signed writing executed by the Parties hereto or by further order of the Court.
7. Each person who executes this Stipulation, Agreement and Order represents that he or she has the authority to execute this document on behalf of his or her respective client(s).

8. This Stipulation, Agreement and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation, Agreement and Order to present any copy, copies or facsimiles signed by the party hereto to be charged.

9. The Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation, Agreement and Order.

Dated: March 2, 2011

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Attorneys for Mason Capital Management, LLC

SO ORDERED:

Dated: New York, New York
March 3, 2011

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge